



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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Press Release 00-07
March 1, 2000
For External Release

New Savings Bonds Offered

The Defense Finance and Accounting Service (DFAS) will offer the new Series I Savings Bonds (I Bonds), along with the existing Series EE Savings Bonds (EE Bonds), to civilian employees beginning March 1, 2000, through the Voluntary Payroll Savings Plan. Active duty and retired military members will be able to purchase the I Bonds beginning April 1, 2000.

I Bonds will be sold at face value (you pay \$50 for a \$50 bond) and will be offered in \$50, \$75, \$100, \$200, \$500 and \$1,000 denominations. Included is a chart with the allotment/deduction options DFAS will offer for the new I Bonds.

The I Bonds were created by the Department of the Treasury to provide Americans an opportunity to protect the purchase power of their savings from inflation. Investors are being offered a bond with a fixed rate combined with semiannual inflation adjustments that will help protect purchasing power. The I Bonds are an accrual type security, meaning earnings are added to the bond each month and interest is paid when the bond is cashed. The I Bonds will grow in value with inflation-indexed earnings for up to 30 years.

The EE Bonds are Treasury securities and interest is added to the redemption value every six months and paid to the investor when the bond is redeemed. The purchase price of an EE Bond is 50 percent face value (a \$100 bond costs \$50) and is offered in \$100, \$200, \$500 and \$1,000 denominations.

For more information regarding the benefits of the new I Bonds or the EE Bonds visit the Bureau of Public Debts web site on the internet at: www.savingsbonds.gov.

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New Allotment/Deduction Options for the Series I Savings Bonds

ALLOTMENT/ DEDUCTION OPTIONS	PURCHASE PRICE /FACE VALUE OF THE BOND					
	\$50	\$75	\$100	\$200	\$500	\$1,000
\$5.00	X					
\$6.25	X					
\$7.50		X				
\$10.00	X		X			
\$12.50	X	X	X			
\$20.00			X	X		
\$25.00	X	X	X	X		
\$50.00	X		X	X	X	
\$62.50					X	
\$75.00		X				
\$100.00			X	X	X	X
\$125.00					X	X
\$200.00				X		X
\$250.00					X	X
\$500.00					X	X
\$1,000.00						X